

**Testimony on SB 2012
Human Resources Section
House Appropriations Committee
March 08, 2011**

Chairman Pollert and members of the committee, my name is Jon Larson. I am the executive Director of Enable, Inc, a licensed service provider for people with intellectual disabilities in Bismarck and Mandan. I am also here today to testify on behalf of the North Dakota Association of Community Providers (NDACP).

I have been in my present position at Enable for nearly 27 years and I have seen many changes during that time, most of them positive. I want to express my appreciation for all the support the North Dakota Legislature has given to developmental disability service providers, especially in recent years. I also want you to know that your support makes a difference. North Dakota has reason to celebrate when it comes to services to people with intellectual disabilities. I want to mention just a few of those reasons.

The population at the Developmental Center in Grafton is projected to meet our goal of 95 people by July 01, 2011. Plans are in place to continue to place people in community settings, further reducing the number of people served in institutional settings.

Employee Turnover in provider agencies has been reduced to an average of 32.78%, down from an average of nearly 43% just two years ago. This has and will continue to improve the quality of service our consumers expect from us. Consistency in staff and the relationship building this provides, in my opinion, is the single most important thing we can do for the people we support. We still have a ways to go in this area.

Providers continue to meet national accreditation standards and are recognized for the quality of services they provide. All ND DD Service providers are accredited by the Council on Quality and Leadership, a national accreditation entity.

Utilization of new technology has created a more efficient method of sharing information enabling provider and state staff to share information and allow for more time for direct

service delivery and quality improvement strategies. DD provider staff and regional and state staff will soon have access to the same information about the people we support through a web-based software package called THERAP.

A review is underway of our reimbursement system that promises to change one of the most complicated provider payment systems in the country. A new payment system, when properly implemented should enhance creativity and reduce the administrative burden of operating our programs. This bill, SB2043 passed the Senate without the appropriation to make the necessary changes to our payment system.

A strong provider association where information, education and best practices are shared among member agencies. Our association, NDACP, provides a venue for peer support and education within our state and with the states surrounding us.

A positive, constructive relationship with the Department of Human Services. This has created a problem resolution process that benefits the entire service delivery system.

While there are many reasons to be optimistic about our service delivery system, there continue to be challenges. One of particular concern is the rapidly rising cost of employee health insurance. DD providers are given an allowance of 33% of approved salary dollars to provide benefits for our employees. From this 33% DD providers must pay several mandatory benefits such as FICA taxes (7.65%), Workforce Safety Insurance, and Unemployment Compensation. This leaves approximately 20% of approved salary dollars to pay for "optional" benefits such as health insurance and pension plans. The rapidly rising cost of health insurance, often increasing over 10% a year, over the past several years has dramatically affected the health insurance coverage our employees receive. DD providers have been forced to increase deductibles, co-insurance amounts and to shift ever larger portions of the premium to their employees. This problem, of course is not unique to DD providers, but our reimbursement system limits the amount available to pay for these increasing costs.

We are asking that you consider adding 7.65% to our fringe benefit allowance to stem the steady erosion of health insurance benefits to our employees, support the \$.50/hour salary increase passed by the Senate and add the appropriation to fund the implementation of the new payment system.

Again, thank-you for your continued support and for this opportunity to talk to you today. I would be glad to answer any questions you may have.

Jon Larson, Executive Director Enable, Inc.
North Dakota Association of Community Providers (NDACP)